Government of Saskatchewan

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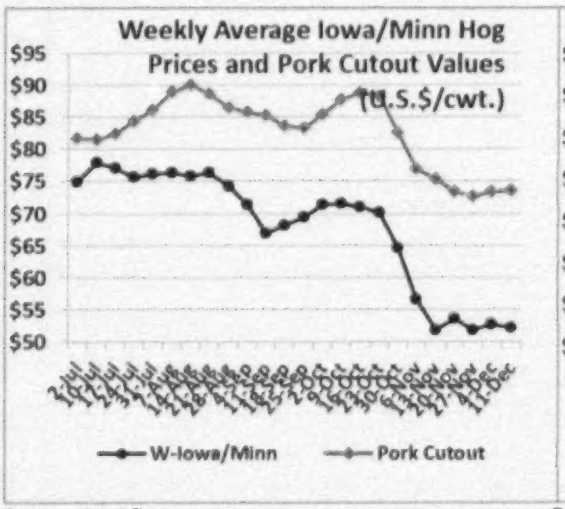
Weekly Hog Report

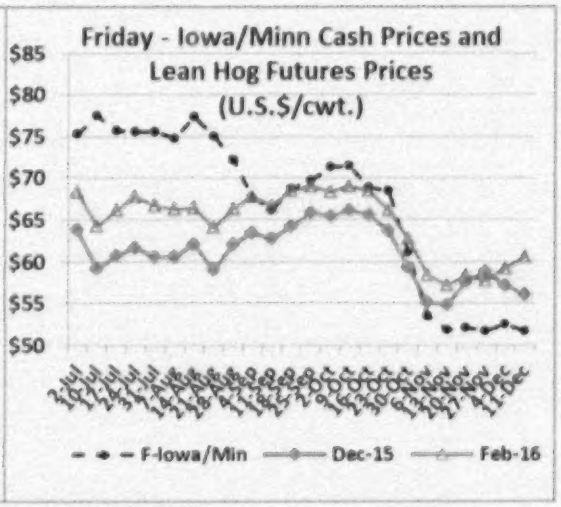
December 14, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were again overall steady last week but edged lower, week-over-week. Hog prices on Friday December 11 averaged US$51.64 per cwt, down US$0.82 per cwt from US$52.46 per cwt the previous Friday. The negotiated base price last week averaged US$52.12 per cwt, down US$0.63 per cwt or 1.2 per cent from US$52.75 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

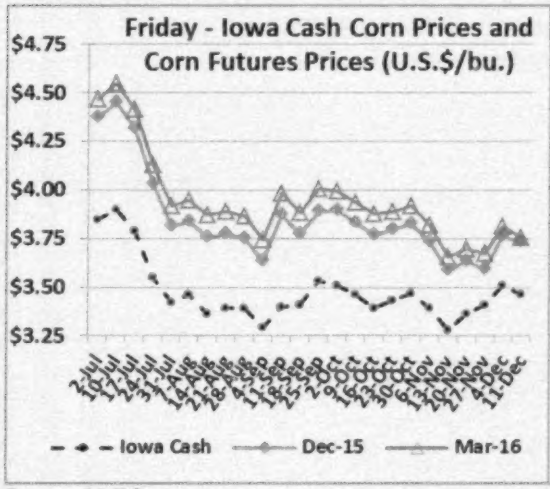
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday December 11, 2015 was $129.27 per ckg, down $0.83 per ckg or 0.6 per cent from $130.10 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $129.23 per ckg, up $0.62 per ckg or 0.5 per cent from the previous weeks' average price of $128.61 per ckg. The Canadian dollar continued lower pushed by weaker oil prices to close Friday at 72.77 cents; down almost 2 cents from the previous Friday's close of 74.76 cents.

Futures Markets

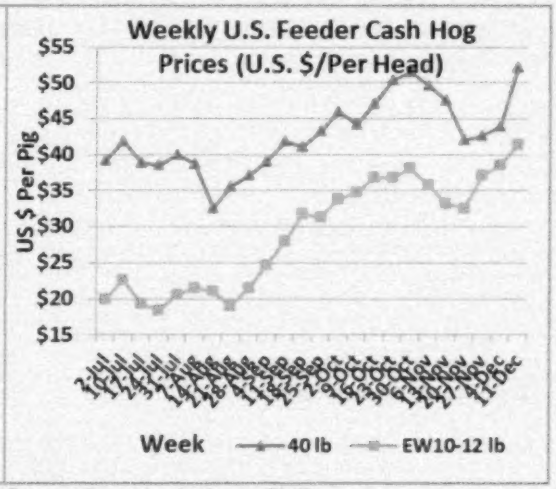
United States Lean hog futures daily prices were mixed over the week to end last week mixed, week-over-week. The nearby December contract declined US$1.05 per cwt to settle Friday at US$56.00 per cwt, while the February 2016 contract increased US$1.45 per cwt to settle Friday at US$60.55 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices moved higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$41.35 per head, up US$2.75 per head from US$38.60 per head the previous week. Feeders (40lb) were US$52.15 per head, up $8.33 per head from US$43.82 per head the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices moved lower last week declining five cents to settle Friday at US$3.46 per bushel. U.S. corn futures prices were also lower last week. The December corn futures contract declined over 3 cents over the week to settle Friday at $3.73 per bushel, while the March 2016 contract declined over 6 cents to settle Friday at $3.75¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending December 12 were estimated at 2.426 million head, up slightly from 2.424 million head the previous week, and up 7.2 per cent from 2.262 million head the same week a year ago. Weekly hog slaughter numbers again reached levels not achieved since September 2012. U.S. hogs slaughtered over the last four weeks ending December 12 averaged 2.339 million head per week, up 7.2 per cent from 2.182 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Dec. 5, 2015 were estimated at 425,506 head, down 4.4 per cent from 445,280 head the previous week, but up 1.1 per cent from 421,006 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending December 5, 2015 were estimated to average 430,321 head, up 2.0 per cent from 421,833 head over the same period a year ago. Year-to-date, Canadian hogs slaughtered are estimated at 19.753 million head, up 2.6 per cent from 19.260 million head over the same period in 2014.

Meat Production

U.S. pork production for the week ending December 12, 2015 was estimated at a new weekly record high of 517.7 million lb., up slightly from 517.4 million lb. the previous week, and up 6.4 per cent from 486.7 million lb. the same week a year ago. Pork production over the last four week's ending December 12 was estimated to average 498.8 million lb., up 6.3 per cent from 469.2 million lb. over the same four week period a year ago.

U.S. beef production for the week ending December 12 was estimated at 492.1 million lb., up 4.0 per cent from 473.2 million lb. the previous week, and up 4.8 per cent from 469.5 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending December 5, 2015, was estimated to average 1.995 billion lb., up 2.1 per cent from 1.954 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2015 is estimated to be 97.829 billion lb., up 3.5 per cent compared to the same period in 2014.

United States Weekly Meat Production

(Dec. 5) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	467.0	497.4	6.5%	7.5%
Beef	452.1	454.2	0.5%	-2.6%
Chicken	906.0	921.3	1.7%	5.9%
Turkey	129.2	122.0	-5.5%	-4.6%
Total	**1,954.2**	**1,994.9**	**2.08%**	**3.51%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending December 12, 2015 averaged US$73.40 per cwt, up slightly from US$73.36 per cwt the previous week, but down 20.6 per cent from US$92.41 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending December 12, 2015 averaged US$203.13 per cwt, down US$1.00 per cwt from US$204.13 per cwt the previous week, and down 18.4 per cent from US$249.05 per cwt a year ago.

Average chicken cutout values (breast) for the week ending December 12, 2015 averaged US$103.67 per cwt, down 1.4 per cent from US$105.12 per cwt the previous week, and down 23.5 per cent from US$135.47 per cwt the same week a year ago.

USDA World Agricultural Supply and Demand Estimates (WASDE)

On December 9, the USDA released the December World Agricultural Supply and Demand Estimates (WASDE). United States December corn production estimates for 2015/16 were unchanged from November at 169.3 bushels per acre on 80.7 million acres harvested for total U.S. corn production estimates of 13.654 billion bushels. While crop usage was increased from November, lower estimated corn exports have increased estimated ending stocks by 1.4 per cent from November to 1.785 billion bushels.

U.S. farm corn price estimates in December were unchanged from November to range between US$3.35 and US$3.95 per bushel for 2015/16.

The USDA WASDE report estimated that United States Red Meat and Poultry production for 2015 will be 94.716 billion lb., a slight decrease from the November estimates, but a 2.8 per cent increase from 2014 production. United States meat production for 2015 is projected to increase for pork (+7.38%), broilers (+4.24%), but decrease for beef (-2.42%) and turkeys (-2.88%), from 2014. Beef production estimates for 2015 were slightly reduced from November as more cattle were kept on feed longer resulting in heavier weights pushing more production forward into 2016. Pork production estimates were slightly increased from November with higher hog slaughter numbers and record weekly pork production. United States meat production for 2016 is projected to increase 2.7 per cent to 97.284 billion lb. from 2015. Leading the way in meat production increases in 2016 are projected to come from beef (+4.29%) and turkey (+7.51%). (Source: USDA WASDE)

USDA December World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat
	Quarter	Beef	Pork	Broiler	Turkey	& Poultry
2013	**Annual**	**25,720**	**23,187**	**37,830**	**5,806**	**93,333**
2014	**Annual**	**24,252**	**22,843**	**38,550**	**5,756**	**92,171**
2015	Nov. Proj.	23,715	24,508	40,207	5,570	94,751
2015	**Dec. Proj.**	**23,665**	**24,528**	**40,185**	**5,590**	**94,716**
% Chg.	Nov.- Dec.15	-0.21%	0.08%	-0.05%	0.36%	**-0.04%**
% Chg.	**2014-2015**	**-2.42%**	**7.38%**	**4.24%**	**-2.88%**	**2.76%**
2016	**Dec. Proj.**	**24,680**	**24,925**	**40,900**	**6,010**	**97,284**
% Chg.	**2015-2016**	**4.29%**	**1.62%**	**1.78%**	**7.51%**	**2.71%**

Source: USDA November WASDE Report, December 9, 2015

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